NEWSPAPER

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Advertising Age

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Euro ventures on the way

The Energizer bunny makes its next commercial appearance when it "chow chow chows" across a Purina cat food spot.

Energizer bunny will plug Purina

By Julie Liesse Erickson

Ralston Purina Co. is hopping on its own Energizer bunny bandwagon.

When Ralston's Eveready Battery Co. breaks its new Energizer TV commercials Dec. 11, the mechanical pink bunny will start marching through spots for real Ralston products.

In the first to air, the bunny interrupts Purina Cat Chow's well-known "Chow chow chow" campaign.

The "Chow chow chow" campaign hasn't run since 1985, and Energizer agency Chiat/Day/Mojo shot its own version of that old concept.

In the new spot, the bunny walks onto the set, dancing along with the woman and her cat to the "Chow chow chow" step before parading across a line of Cat Chow boxes.

The 15-second spot is one of four new commercials that begin airing this week. This second wave, primarily :15s, parodies familiar commercial genres: bath soap, snack food and direct-mail record albums.

The spot for "Alarm!" bath soap shows a man showering. As a chorus sings, "Alarm! It'll start your day. . . . Alarm! You'll be on your way. . . . Ring in your day with Alarm!" the man glances down to find the bunny—in yellow rain slicker and hat—marching through the shower.

Another spot is intended to create the flavor of late-night spots promoting greatest-hits record collections; it seemingly offers viewers a collection of "The Best of Olga Montiera," a fictional harpist.

The last parody is for "Pigskins" snack chips; the spot stars former National Football League player Lyle Alzado—a real-life former TV spokesman for Block

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An Advertising Age roundup

A new joint cereal venture between General Mills and Nestle SA may be a prototype for companies hurrying to enter Europe before 1992.

The venture arrangement also represents an attractive alternative to debt-laden acquisitions or inadequate licensing agreements for marketers.

The agreement between Nestle and General Mills, announced last week, calls for the creation of a separate company, Cereal Partners Worldwide, to market ready-to-eat cereals in all areas outside the U.S. and Canada.

Cereal Partners will be owned equally by the two companies, which will split responsibility for capital investments.

Vevey, Switzerland-based Nestle, headed by Managing Director Helmut Maucher, and Minneapolis-based General Mills, whose chairman-ceo is Bruce Atwater, each will control half the seats on the board.

Robert Trumbull, senior consultant at Clarion Marketing & Communications, Greenwich, Conn., said joint ventures are the "wave of the future," particularly in the U.S., Japan and Europe—"major markets where distribution presents such an enormous barrier to gaining entry."

Mr. Trumbull said food companies in particular could initiate more joint ventures overseas, because food-store distribution is "the toughest nut to crack."

Helmut Maucher

Bertrand Facon, an analyst with Credit Suisse First Boston, London, said, "This signals that U.S. companies, after talking about 1992 for so long, are realizing they are very weak in Europe. I think [General Mills] realized they are not going to expand without help."

John Quelch, marketing professor at Harvard University's school of business, said such "strategic alliances" as the General Mills/Nestle venture are a sound method for U.S. marketers to gain "access to European distribution channels."

One industry source suggested likely European candidates to enter joint ven-

(Continued on Page 52)

Burger King courts health fans, kids

Chicken sandwich, new club planned

By Scott Hume

To counter the fast-food industry's reliance on fried foods and appease consumers' interest in healthful foods, Burger King Corp. is preparing to roll out a chicken sandwich it will cook on the flame broilers it uses for hamburgers.

Linking the new sandwich to the hottest craze in food marketing, Burger King will serve the BK Broiler on an oat bran bun.

At the same time, Burger King will battle the fast-food industry's longstanding belief that no one can loosen McDonald's Corp.'s hold on the children's market.

Burger King will fight for brand loyalty among the youngest consumers by launching a Burger King Kids Club, an ambitiously broad children's marketing program set to start next month.

Because preparation of the BK Broiler requires some equipment modifications, the product may not be in all Burger King restaurants until March. But national advertising for the product is planned to begin Feb. 26.

Burger King has tested the sandwich in San Diego and Greensboro, N.C.

Advertising—from new-products agency Saatchi & Saatchi Advertising and black consumer agency UniWorld Group, both New York—has positioned the BK Broiler as an alternative to fried chicken and competitors' chicken sandwiches.

Ads carry the "Sometimes you just gotta break the rules" theme.

The BK Broiler provides Burger King with a competitive answer to rival McDonald's McChicken sandwich, introduced nationally this spring.

The BK Broiler is a formed chicken patty,

(Continued on Page 52)

LAST MINUTE NEWS

Pepsi gets Savage

SOMERS, N.Y.—Pepsi-Cola Co. has filmed a holiday-themed TV spot with Fred Savage, star of ABC's "Wonder Years," an industry source said. Also, Pepsi is said to be close to signing comedian Billy Crystal, who appeared in a spot for Pepsi in the mid-1980s. The company declined comment. BBDO Worldwide, New York, handles Pepsi.

Separately, Pepsi-Cola International is consolidating its worldwide advertising at BBDO, meaning a loss for Leo Burnett Co., Chicago. Burnett lost to BBDO the estimated $25 million-to-$30 million international ad account for the 7UP brand. Also, sources said Pepsi's Canadian 7UP business is likely to move to J. Walter Thompson Co. from Burnett, both Toronto. JWT already handles Pepsi in that country. And in Mexico, Pepsi will move all its soft-drink business, estimated at $6 million, to BBDO from Burnett, both Mexico City, sources said. Pepsi officials said they're in the process of finalizing agency assignments in Canada and Mexico. The company said the consolidation is a financial decision, not a reflection on Burnett's creative work. Burnett continues to handle 7UP in the U.S., where it's owned by Dr Pepper/Seven-Up Cos.

Two Saatchi execs quit

LONDON—Victor Millar, 53, consulting division chairman-ceo, and David Perring, 50, secretary, Saatchi &

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Czechoslovakia moves toward consumerism, but the going's slow.

Global Media & Marketing
A special international report by *Ad Age* starts after Page 38.

Life after Achenbaum ..... P. 49
Consultants drum up more business in an effort to become the new leader of the pack.

HHCC will operate N.Y. office without president

By Gary Levin

NEW YORK—Walter O'Brien is out as president of Hill, Holliday, Connors, Cosmopulos' office here, and the Boston-based agency will try to get by without a successor.

The agency said it mutually agreed last week to part company with Mr. O'Brien, the fourth person to head the office in less than six years.

Susan Smith, 36, exec VP-new business, and Dennis Farrington, senior VP-group account director, will take on Mr. O'Brien's duties. Neither will be given the task of running the office.

Jack Connors, Hill Holliday president-ceo, earlier hinted changes were coming (AA, Sept. 11).

Asked about his commitment now to the office here, Mr. Connors said, "I'm more committed to it than I've ever been. We probably went through a period when we made 10 new-business pitches and lost 10. Now we're getting on the short lists and winning accounts."

He said he'd consider, but isn't actively seeking, an acquisition to bolster the office.

In recent months, Mr. Connors has spent much of his time here and has been directly involved in pitching accounts.

W. O'Brien

"I think we have a really good team of people here," Ms. Smith said, "and the emphasis we have is on keeping existing clients and building new business. I don't know that a $30 million agency needs a president. We'll get some new business and see where we go, but there's no need to replace" Mr. O'Brien.

Mr. O'Brien's background—running large multinational accounts for J. Walter Thompson Co.—didn't mesh well with Hill Holliday's focus on smaller, entrepreneurial accounts, sources said.

The clash of styles hurt Hill Holliday's attempts to win accounts, though it did pick up SportsChannel America, a $2 million account, last month.

"I think his talent is in the area of working with the largest accounts," Mr. Connors said of Mr. O'Brien. "Obviously, we're a little different than that."

Currently, the office's largest piece of business is the $6 million-to-$8 million United Jersey Banks account.

It also handles Springmaid Sheets, Irish Tourist Board and Pitney Bowes, and does creative work for Labatt Brewing Co.'s Rolling Rock beer.

Last week, the agency lost the Irish Aer Lingus airline account, which spent less than $1 million, to Campbell-Mithun-Esty.

Mr. O'Brien, a 24-year veteran of JWT, joined Hill Holliday only 15 months ago (AA, Aug. 1, 1988), and followed Malcolm MacDougall, Charles Decker and Christine Miller in the top post.

Mr. O'Brien couldn't be reached for comment, but observers expect him to seek work at a larger agency. □

Bayer gets tough with Urich

By Patricia Winters

Robert Urich is taking on Angela Lansbury, but the competition isn't in network TV shows.

Mr. Urich, the former star of "Spenser: For Hire," is the new pitchman for Sterling Drug in a TV campaign positioning Bayer aspirin as the macho medicine for headache relief.

Bristol-Myers Squibb recently broke a campaign featuring Ms. Lansbury for Bufferin (AA, Oct. 23).

Although both competitors are using celebrity endorsers, they part company when it comes to strategy.

Mr. Urich calls Bayer an "adult-size" pain reliever, while Ms. Lansbury takes "a cup of tea and Bufferin" to eliminate aches and pains in ads targeting the over-50 set.

The new campaign for Bayer, best known for its soft-edged "wonder drug that works wonders" effort, shows Mr. Urich explaining how he beats headaches.

"When I get headaches, they're not little baby ones. They're full-grown, adult-size bangaroos," he says.

In a new Bayer spot, actor Robert Urich "bangs back" a headache with the "adult-size" pain reliever.

The spot closes with the tagline: "For adult-size pain—Bayer, the wonder drug that works wonders."

Lintas:New York handles the $30 million account. The Urich spot will air in 15-, 20- and 30-second versions on network, spot and cable TV.

Industry observers say Bayer's stronger pain relief message is an attempt to revive the aspirin business.

Last year, Bayer and other marketers all but dropped ads promoting aspirin to prevent second heart attacks after the strategy failed to boost the segment.

"The aspirin segment is really taking it on the chin, and Bayer as the leader is also taking it on the chin," said one industry executive who asked not be named.

Aspirin unit volume was down 9% through August from a year earlier, this source said. Ibuprofen-based pain relievers are growing, with tracking data putting unit volume up 21%.

Bayer is the leader of the aspirin segment with about a 17% share; Bufferin is fourth with a 10% share behind American Home Products Corp.'s Anacin and Bristol's Excedrin. □

Chiat wins Reebok overseas

By Pat Sloan

Reebok International has named Chiat/Day/Mojo, London, as lead agency for advertising outside the U.S.

The international division account represented $15 million in billings in 1989 and is expected to go higher in 1990.

Chiat's New York office is Reebok's main agency in the U.S.

The move won't affect Reebok's 38 local agencies in the foreign countries where the company operates through distributors and subsidiaries, said John Duerden, international division managing director based in Bolton-Lancashire, England.

All other Reebok agencies, including Lowe Howard-Spink, London, will remain in place, he said.

Chiat "is working with us on the development of global advertising. We will use them as the lead agency to interface with the others," Mr. Duerden said.

He added that a new international campaign should be ready "in the first half of next year and will be adapted to different countries."

"One of the places we'll spend money in the next five years is in Eastern Europe," said Reebok Chairman Paul Fireman. "We're one of the hottest products in the Soviet Union on the black market. And we're putting products in their stores, too.

"We've also looked at a Polish factory for athletic footwear. And in countries where it's appropriate, like Hungary, we'll advertise."

Mr. Fireman said he's committed to international expansion and the opportunities it offers for increasing both sales and profits.

Reebok had about $1.8 billion in total sales in 1988, but international sales are pegged at just $350 million.

Next year, the international growth rate should exceed 15%, Mr. Duerden said. □

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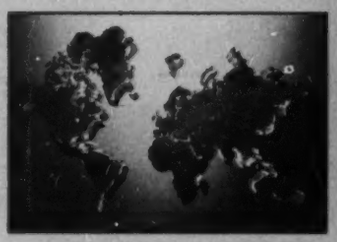
INTERNATIONAL NEWS

Global Marketing & Media
Unilever tops all advertisers outside the U.S. in rankings as global newspapers pace circulation growth.



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Cotton Inc. finds dignity by abandoning its sophisticated approach in favor of an earthy, down-home campaign for the kinder, gentler America.

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Wary consumers want more health ad info

By Julie Liesse Erickson

Consumers say they want more health messages in food product ads, but they're looking at those messages with a skeptical eye.

Those are the conclusions of a poll of 1,000 consumers conducted for *Advertising Age* by the Gallup Organization.

More than eight of 10 (82%) consumers polled said they'd like to see more products advertised as having health-related benefits. But 49% said they didn't believe product claims such as "the ability to reduce cholesterol."

Kellogg Co. last week launched a $45 million campaign for Heartwise, with network TV spots promoting the new ready-to-eat cereal as high in soluble fiber and containing psyllium and extolling the health virtues of a high-fiber, low-fat diet (AA, Nov. 27).

Although Kellogg said the campaign is educational, consumers already appear to have learned their lessons about diet and health.

Nearly half of those surveyed (47%) said they'd bought in the previous 30 days a food product marketed as promoting good health. That included 54% of women polled and 40% of men.

Also, 86% of women surveyed said they'd like to see more ads promoting products' health benefits, compared with 77% of men.

But seeing isn't necessarily believing. Asked whether they believe such product health claims as "the ability to reduce cholesterol" (a claim General Mills has made in introductory ads for its high soluble-fiber Benefit cereal), 48% of the total sample said they believe the claims, but 49% said they do not.

That finding may interest state attorneys general, who've criticized—and in some cases filed suit against—some food companies' health claims as confusing or deceptive.

Minnesota Attorney General Hubert H. Humphrey III recently said that "health and nutrition claims in food advertising are almost totally out of control, with little sign of restraint or responsibility from advertisers."

The random nationwide survey was conducted by phone in October. It has a margin of error of plus or minus 3.1%.

Older consumers may present a dilemma for marketers. More than half (53%) of those 55 or older said they'd bought healthful foods, compared with 39% of those ages 18 to 34.

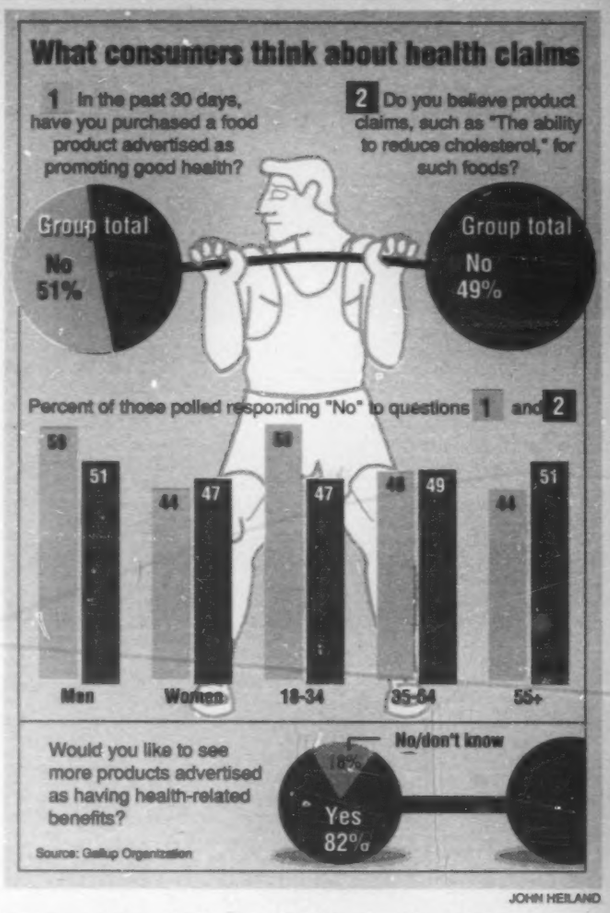
But they're less supportive of seeing more health claims than are younger consumers, and more skeptical. Only 46% of older consumers said they believe health claims, compared with 52% of the 18-to-34-year-olds.

Other groups with comparatively high concentrations of consumers buying healthful foods were the college-educated and consumers in the North Central states.

Cereals continue to lead the way among perceived healthful products. Of those respondents who said they'd bought a product advertised as healthful, 25% said it was an oatmeal or oat bran product. Another 12% had bought other cereal products.

The most often mentioned branded products were General Mills' Cheerios and Quaker Oats Co.'s Quaker Oat Bran and Quaker oatmeal.

Among other "healthy" products purchased included apples, milk and yogurt. □



JOHN HEILAND

IT WAS DESTROYED BY MT. ST. HELENS IN 1980.
IT'S A SUBURB OF SEATTLE, RIGHT?
MAINE?
I KNOW, IT'S THE #1 CITY IN GENERAL MERCHANDISE SALES PER CAPITA. IT'S THE 2ND MOST POPULAR TEST MARKET IN THE U.S. AND IT HAS THE OREGONIAN, THE NEWSPAPER WITH ONE OF THE LOWEST CPMS ON THE WEST COAST.

Where the heck is Portland?

Portland and The Oregonian. It's a sales story that stumps 3 out of 4. Amaze your friends and clients with your ability to spot a terrific market. Call John Mannex, General Advertising Manager at (503) 221-8302 for the complete story.

The Oregonian

Represented nationally by Newhouse Newspapers
Source: Scarborough Research Portland Publication Report, Spring 1990, Total Adults, Monday-Sunday, Portland Publication Area, Based on actual number of new pairs knits owned.

P&G takes the cake with health strategy

By Laurie Freeman

Procter & Gamble Co. is taking a health-oriented marketing approach for its Duncan Hines cake mixes and frostings.

P&G's strategy contrasts with competitors General Mills and Pillsbury Co., both of which are concentrating on microwaveable and candy-added products.

The shift coincides with P&G's introduction today of a new Duncan Hines Sheetcake ready-to-spread frosting line and the relaunch of two cake mix flavors.

All Duncan Hines mixes and frostings are now flagged with a "no palm oil" label, and cake mix packages include recipes for low-calorie and no-cholesterol baking.

An estimated $3 million ad campaign starts in January via N W Ayer, New York, though the new frostings and the reintroduced orange and banana flavor mixes will be available this month.

Sheetcake frostings contain only 11.3 ounces of frosting mix, compared with the regular 16-ounce packages. The frostings are meant to appeal to consumers baking sheetcakes, cupcakes and brownies, which require less frosting than layer cakes, said Don Tassone, a P&G spokesman.

Duncan Hines leads the $735 million cake mix category with a 32% share, followed by General Mills' 30.6% share for Betty Crocker products and Pillsbury's 22.8%, trade sources said.

General Mills is completing national distribution of two new MicroRave cake mix flavors: Apple Streusel and Cinnamon Pecan.

DDB Needham Worldwide, Chicago, handles the Betty Crocker baking line.

Pillsbury this fall introduced Funfetti cake mix and frosting, both with candy sprinkles.

Print ads are supporting the national launch, and a network and spot TV commercial from Leo Burnett USA, Chicago, will break soon.

P&G has added candy pieces to three of its Duncan Hines frostings, called Polka Dot frostings, but the company isn't planning to add a companion cake mix.

General Mills was first on the market with a candy-added line: the Rainbow Chip variety of Betty Crocker cake mix and frosting. □

Julie Liesse Erickson contributed to this story.

Design Photographers International

Unilever triumphs as top ad spender

P&G, Nestle follow in non-U.S. race

By Julie Skur Hill

Unilever, Procter & Gamble Co. and Nestle held on to their respective slots as the top three advertisers outside the U.S.

In *Advertising Age's* third ranking of the top 50 leading ad spenders outside the U.S., the Anglo-Dutch conglomerate kept its top ranking, doling out $1.2 billion in 24 countries in 1988.

Cincinnati-based P&G spent $932.7 million in 18 countries outside the U.S., while Vevey, Switzerland-based Nestle chalked up $600.6 million in 19 nations.

Rounding out the top 10 are: Renault, Paris; Matsushita Electric Industrial Co., Osaka, Japan; Fiat, Turin, Italy; Mars Inc., McLean, Va.; Kao Corp., Tokyo; Nissan Motor Co., Tokyo; and Toyota Motor Co., Toyota City, Japan (*see chart, Page S-2*).

When U.S. ad spending is included, consumer goods giant P&G comes out on top with worldwide spending of $2.4 billion.

New York-based Philip Morris Cos. follows closely in worldwide spending, with $2.4 billion. Philip Morris ranks No. 12 among spenders outside the U.S.

Unilever ranks third worldwide, spending $1.8 billion, while General Motors Corp., Detroit, ranks fourth, spending $1.6 billion.

Spending for the top 50 totalled $12.4 billion, up 37.1% from 1987 figures.

Newcomers to the top 50 list include Peugeot, Paris; Bayerische Motoren Werke, Munich; Barilla, Parma, Italy; Gervais Danone, Levallois-Perret, France; RJR Nabisco, New York; Jacobs Suchard, Zurich; BAT Industries, London; British Telecom, London; Kingfisher, London; and Cole Myer, Sydney.

These 10 marketers replace Mazda Motor Corp., Hiroshima, Japan; Shiseido Co., Tokyo; Sony Corp., Tokyo; Ajinomoto Co., Tokyo; Mitsukoshi Ltd., Tokyo; Takeda Chemical Industries, Osaka; Daimaru Inc., Osaka; and Marui Co. and Hattori Seiko Co., both Tokyo.

Last year, Citroen was counted separately from Peugeot. This year, the two were combined.

Despite the decline in the number of Japanese companies represented on the list, 20 marketers of the top 50 are based in Japan. Eleven are U.S.-based. France put three on the list, while West Germany and Italy each claim three. The U.K. houses 4½, while the Netherlands claims 2½. The split is the result of Unilever, which claims roots in both countries. Switzerland houses two, while one calls Australia home.

Food marketers topped the list with 12 entries contributing $2.5 billion. However, the list's 11 automotive marketers contributed a whopping $3.1 billion. Soap and electrontics advertisers ranked six each on the top 50, while retailers accounted for five. Beer marketers accounted for four of the total, while telecommunications advertisers brought two to the list. Computer and photography marketers contributed one each.

Information for *Ad Age's* ranking of the top 50 spenders in non-U.S. advertising was compiled from data supplied from 38 major advertiser markets by *AA's* international network and sources around the world *(see How to read this ranking on Page S-14)*. □

Newspapers shine as media choice

N. American books drive category

By R. Craig Endicott

Global newspapers outperformed weeklies and monthlies in 1989 in giving advertisers greater geographic distribution while holding a tighter rein on ad costs, according to *Advertising Age's* fifth annual Global Marketing & Media survey.

Newspapers, paced by the circulation growth of *USA Today* in the U.S. and abroad, held down the average increase for a full-page b&w ad to 4.6%, undercutting increases of 6.2% for monthlies and 7.7% for weekly magazines. Likewise, the medium's cost-per-thousand average increase of 5.7% bested the 5.9% average growth from monthlies and 6.2% from weeklies.

The study included 17 global publications selected because they are circulated on at least three continents, draw close to 10% of the worldwide circulation from international editions and have centralized ad buying. The study found newspapers are the medium of overall circulation growth (up 2%), mostly a reflection of their 2.1% boost in circulation in North America.

Using mass coverage as an ad criteria, global monthlies led with total circulation up 0.7% in 1989 to 41.5 million, far outstripping circulation of 11.9 million (down 2.6%) for weeklies and 4.3 million (up 2%) for newspapers.

The study shows that as goes North America so goes global media, because North American publications offer the big circulation base and English, the lingua franca of international marketing. Ten of the publications also happen to be U.S.-based.

North America accounted for 84.1% of the group's global circulation in newspapers, 81.1% of the weeklies' circulation and 69.8% of the monthlies'.

Paris-based *Paris Match* joined *People's Daily* out of the Republic of China in the study for the first time. *People's Daily* totals—circulation of 4 million and CPM of a minuscule 26¢—were excluded from newspaper composites because of the lack of prior-year data.

Advertising continues to be heavily consumer-oriented. From a list of the top five advertisers identified by each publisher, airlines were named 22 times, electronics/photographic equipment 13 and automobiles and financial institutions 11 each.

AT&T was the most frequently mentioned global advertiser. It was named by five publications as one of their top five advertisers. Lufthansa German Airlines ranked second with four mentions.

The impact of *glasnost* also has affected the global media market. *World-Paper*, produced from editorial offices in Boston, picked up 270,000 new subscribers in the U.S.S.R. for its monthly insertion in *Novoe Vremija (New Times)*, a leading business magazine. □

Unilever ranked No. 1 in non-U.S. advertising

Rank	Advertiser	Headquarters	Primary business	Countries in which spending was reported for 1988	Non-U.S. spending ($000)	'86-'87 % chg	U.S. spending ($000)	W'wide spending ($000)	Non-U.S. as % of w'wide
1	**Unilever NV/PLC**	Rotterdam/London	Soaps	Argentina, Australia, Austria, Bahrain, Belgium, Brazil, Britain, Canada, Chile, France, Germany (West), India, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Puerto Rico, Qatar, South Africa, Spain, Switzerland, Thailand	$1,287,589	42.6%	$607,500	$1,815,009	66.5%
2	**Procter & Gamble Co.**	Cincinnati	Soaps	Australia, Austria, Bahrain, Belgium, Britain, Canada, France, Germany (West), Italy, Japan, Mexico, Netherlands, New Zealand, Oman, Philippines, Puerto Rico, Qatar, Saudi Arabia, United Arab Emirates	932,724	39.3%	1,506,900	2,439,624	38.2%
3	**Nestle SA**	Vevey, Switzerland	Food	Argentina, Australia, Austria, Belgium, Brazil, Britain, Canada, Chile, France, Germany (West), Japan, Jordan, Mexico, Netherlands, New Zealand, Philippines, Spain, Taiwan, Thailand	600,586	35.6%	573,800	1,174,386	51.1%
4	**Renault SA**	Paris	Automotive	Argentina, Austria, Belgium, Britain, France, Germany (West), Italy, Netherlands, Spain, Thailand	370,056	30.7%	NA	370,056	100.0%
5	**Matsushita Electric Industrial Co.**	Osaka, Japan	Electronics	Britain, Hong Kong, Japan, Taiwan, Thailand	385,252	53.6%	81,754	427,007	85.5%
6	**Fiat SpA**	Turin, Italy	Automotive	Belgium, Britain, France, Germany (West), Italy, Netherlands, Spain	354,568	35.6%	458*	355,026	99.9%
7	**Mars Inc.**	McLean, Va.	Food	Australia, Austria, Belgium, Britain, Canada, France, Germany (West), Japan, Netherlands, New Zealand	362,983	45.1%	339,700	692,683	51.0%
8	**Kao Corp.**	Tokyo	Soaps	Japan, Taiwan, Thailand	344,233	19.2%	12,022*	356,255	96.6%
9	**Nissan Motor Co.**	Tokyo	Automotive	Australia, Britain, Canada, Germany (West), Japan, Mexico, Netherlands, New Zealand, Thailand	333,215	17.9%	224,900	558,115	59.7%
10	**Toyota Motor Co.**	Toyota City, Japan	Automotive	Australia, Belgium, Canada, Germany (West), Japan, Netherlands, New Zealand, Norway, Oman, Saudi Arabia, Switzerland, Thailand, United Arab Emirates	322,598	16.5%	272,900	595,498	54.2%
11	**Henkel**	Duesseldorf	Soaps	Austria, Belgium, France, Germany (West), Italy, Netherlands, Spain	318,647	35.6%	NA	318,647	100.0%
12	**Philip Morris Cos.**	New York	Food	Argentina, Australia, Bahrain, Britain, Canada, France, Germany (West), Hong Kong, Italy, Japan, Kuwait, Malaysia, Mexico, Nethurlands, Oman, Qatar, Saudi Arabia, Switzerland, Thailand, United Arab Emirates	318,065	32.1%	2,058,200	2,376,265	13.4%
13	**Peugeot SA**	Paris	Automotive	Austria, Belgium, Britain, France, Germany (West), Netherlands, Spain, Thailand	292,341	41.1%	24,342*	316,683	92.3%
14	**General Motors Corp.**	Detroit	Automotive	Austria, Belgium, Brazil, Britain, Canada, France, Germany (West), Mexico, Netherlands, New Zealand, Norway, Switzerland, Thailand	274,061	41.5%	1,294,000	1,568,061	17.5%
15	**Honda Motor Co.**	Tokyo	Automotive	Australia, Canada, Germany (West), Japan, Mexico, New Zealand, Thailand	272,599	NA	243,300	515,899	52.8%
16	**Mitsubishi Motors Corp.**	Tokyo	Automotive	Australia, Japan, New Zealand	266,256	NA	68,931	335,187	79.4%
17	**Hitachi Ltd.**	Tokyo	Electronics	Japan, Thailand	257,620	52.0%	14,069*	271,689	94.8%
18	**Colgate-Palmolive Co.**	New York	Soaps	Australia, France, Germany (West), India, Italy, Malaysia, Mexico, Netherlands, New Zealand, Philippines, Puerto Rico, South Africa, Thailand	253,532	10.2%	306,600	560,132	45.3%
19	**Coca-Cola Co.**	Atlanta	Food	Argentina, Australia, Austria, Brazil, Britain, Canada, Chile, France, Germany (West), Israel, Japan, Mexico, Netherlands, New Zealand, Philippines, Thailand	238,603	21.3%	385,100	623,703	38.1%
20	**Ford Motor Co.**	Dearborn, Mich.	Automotive	Argentina, Australia, Austria, Belgium, Brazil, Britain, Canada, France, Germany (West), Mexico, Netherlands, New Zealand, Norway, Switzerland, Thailand	234,914	7.0%	569,800	804,714	29.2%
21	**NEC Corp.**	Tokyo	Electronics	Japan, Mexico, New Zealand, Thailand	232,735	25.2%	10,886*	243,620	95.5%
22	**Volkswagen AG**	Wolfsburg, W. Germany	Automotive	Argentina, Belgium, Brazil, France, Germany (West), Mexico, Norway, South Africa, Spain, Sweden, Thailand	238,313	27.0%	140,300	370,613	62.1%
23	**Suntory**	Tokyo	Beer	Japan	210,584	11.7%	2,236*	212,806	98.9%
24	**Toshiba Corp.**	Tokyo	Electronics	Japan, Thailand	199,829	37.2%	19,210*	219,039	91.2%
25	**Asahi Breweries**	Tokyo	Beer	Japan	197,456	55.9%	130*	197,592	99.9%
26	**Ferrero SpA**	Perugia, Italy	Food	Italy, Germany (West)	191,420	86.4%	5,521*	196,942	97.2%
27	**Philips NV**	Eindhoven, Netherlands	Electronics	Argentina, Austria, Brazil, Chile, France, Germany (West), India, Italy, Japan, Mexico, Netherlands, New Zealand, Thailand	187,468	30.2%	144,311	331,809	56.5%
28	**Kirin Brewery Co.**	Tokyo	Beer	Japan, Thailand	186,992	51.9%	1,080*	188,072	99.4%
29	**Daiei**	Kobe, Japan	Retail	Japan	181,023	28.5%	NA	181,023	100.0%
30	**Kellogg Co.**	Battle Creek, Mich.	Food	Argentina, Australia, Britain, Canada, France, Germany (West), Japan, Mexico, New Zealand	179,831	25.7%	683,100	862,931	20.8%
31	**Lion Corp.**	Tokyo	Soaps	Japan	177,993	6.4%	NA	177,993	100.0%
32	**Nippon Telephone & Telegraph**	Tokyo	Telecommunications	Japan	177,039	36.4%	NA	177,039	100.0%
33	**Sapporo Beer**	Tokyo	Beer	Japan	173,079	71.0%	NA	173,079	100.0%
34	**Fujitsu Ltd.**	Tokyo	Computers	Japan, Thailand	155,976	58.4%	30*	156,005	100.0%
35	**Sharp Corp.**	Osaka, Japan	Electronics	Japan, Thailand	153,617	44.2%	12,140*	165,757	92.7%
36	**Takashimaya**	Osaka, Japan	Retail	Japan	153,208	32.8%	NA	153,208	100.0%
37	**Fuji Photo Film Co.**	Tokyo	Photography	Japan, Mexico, Thailand	152,891	31.3%	11,735*	164,626	92.9%
38	**C&A NV**	Amsterdam	Retail	Austria, Germany (West), Netherlands	145,481	6.6%	NA	145,481	100.0%
39	**PepsiCo**	Purchase, N.Y.	Food	Argentina, Australia, Britain, Canada, Japan, Mexico, Netherlands, New Zealand, Puerto Rico, Qatar, Saudi Arabia, Singapore	138,911	45.8%	712,300	851,211	16.3%
40	**British Government**	London	NA	Britain	134,887	-2.9%	48,063	182,950	73.7%
41	**BMW AG**	Munich, West Germany	Automotive	Britain, France, Germany (West), Japan, Netherlands	109,879	27.3%	91,000	200,980	54.7%
42	**Barilla SpA**	Parma, Italy	Food	Italy	106,260	40.3%	NA	106,260	100.0%
43	**McDonald's Corp.**	Oak Brook, Ill.	Food	Australia, Canada, Hong Kong, Japan, Mexico, Netherlands, New Zealand, Singapore	98,781	33.0%	729,300	828,081	12.0%
44	**Gervais Danone**	Levallois-Perret, France	Food	Belgium, France, Italy, Japan	96,857	14.7%	NA	96,857	100.0%
45	**ILM Holdings**	New York	Food	Canada, France, Hong Kong, Japan, Malaysia, New Zealand	96,758	60.5%	814,500	911,258	10.6%
46	**Jacobs Suchard**	Zurich	Food	Argentina, Austria, Germany (West)	90,196	6.8%	4,254*	94,450	95.5%
47	**WH Industries**	London	Retail	Argentina, Brazil, Hong Kong, Japan, Malaysia, Netherlands, South Africa	89,489	70.9%	184,100	273,589	32.7%
48	**British Telecom**	London	Telecommunications	Britain	82,659	74.9%	786*	83,445	99.1%
49	**A. Wellcome**	London	Retail	Britain	82,425	37.5%	NA	82,425	100.0%
50	**Colv Myer**	Sydney	Retail	Australia	80,187	15.6%	NA	80,107	100.0%

Notes and sources: Advertising expenditures are in thousands of U.S. dollars for year-end 1988. In many countries, ad spending figures are estimates and/or gross figures. * indicates that U.S. spending figures include measured media only as reported by LNA/Arbitron Multi-Media reports. All other U.S. spending figures include estimated unmeasured expenditures, from AA's 100 Leading National Advertisers, Sept. 27, 1989. Non-US ad spending includes only countries in the column headed "Countries in which spending was reported." See also "How to read this ranking," Page S-14. Peugeot SA includes spending for Citroen and Talbot.

AA chart: Bob Carmak and Kevin Brown

Advertising Age's 1989 global media lineup

	Title/ publisher/ headquarters	Paid North American circulation/ % chg	Paid foreign circulation by region/ % chg	Worldwide circulation/ % chg	b&w pg cost/ % chg/ 4/c pg cost in 1989	b&w pg cost/ 4/c pg cost projected for 1990	Global spot b&w pg in 1989/ % chg	Top worldwide advertisers in 1989
DAILIES	***Financial Times of London*** Financial Times Ltd. London	26,700 10.8	Europe: 287,122 (1.1) Middle East/Africa: 3,300 (1.9) Asia/Pacific: 3,900 (0.4) Latin America: 302 49.5 Caribbean: 418 (43.5)	365,779 (0.3)	$34,940 1.3 $66,180	NA NA	$122.20 1.7	British Airways British Gas Toshiba Daimler-Benz Xerox[1]
DAILIES	***International Herald Tribune*** New York Times & Washington Post Neuilly, France	4,754 16.7	Europe: 133,343 0.1[1] Mid East/Africa: 6,809 (16.5)[1] Asia/Pacific: 34,953 10.0[1] Latin America: 2,334 13.3[1]	182,193[1] 3.0	39,432 5.1 74,920	$41,160 $78,204	216.43 3.4	Republic Bank of N.Y. Lufthansa Airlines Thai Airlines AT&T Co. Carrera
DAILIES	***People's Daily*** Gao Di Beijing	52,000 NA	Europe: 15,000 NA Middle East/Africa: 7,000 NA Asia/Pacific: 63,000 NA Latin America: 13,000 NA Other: 3,000,000 NA	4,000,000 NA	100 NA NA	NA NA	0.20 NA	Panasonic Sharp Electronics Sanyo Boeing Co. Toyota
DAILIES	***USA Today*** Gannett Co. Arlington, Va.	1,755,000 6.4	Europe: 40,100 17.7[2] Asia/Pacific: 13,000 8.2[2]	1,808,100 6.6	52,113[3] 4.5 69,083[3]	NA NA	28.82[3] 8.5	AT&T Co. TWA Stouffer Hotels Thai Airlines American Airlines
DAILIES	***Wall Street Journal*** Dow Jones & Co. New York	1,826,712[4] (1.8)	Europe: 44,783 3.7 Asia/Pacific: 37,860 4.2	1,617,554 (1.6)	117,994 7.4 NA	123,841 NA	91.22 9.2	American Express IBM Corp. Merrill Lynch AT&T Co. General Motors Corp.
WEEKLIES	***Business Week*** McGraw Hill New York	908,989 1.0	Europe: 46,331 5.8 Mid East/Africa: 7,470 15.3 Asia/Pacific: 28,527 12.2 Latin America: 21,410 7.3	1,004,727 1.7	41,895 9.3 63,680	45,295 68,715	41.70 7.5	AT&T Co. General Motors Corp. IBM Corp. Digital Canon
WEEKLIES	***The Economist*** The Economist Newspaper London	161,166 13.0	Europe: 158,716 7.1 Middle East/Africa: 13,582 (1.4) Asia/Pacific: 41,956 7.6 Latin America: 6,494 3.4	288,324 9.1	9,680 11.8 22,000	16,800 22,000	23.83 2.5	Singapore Airlines Lufthansa Airlines Bank of America Rynex Morgan Guaranty Trust
WEEKLIES	***Guardian Weekly*** Guardian Publications Manchester, England	25,260[5] (1.3)	Europe: 19,182 5.8 Mid East/Africa: 5,701 (1.4) Asia/Pacific: 14,084 2.3 Latin America: 1,584 10.9 West Indies: 397 (10.2)	66,128 1.6	2,369[6] (12.2) NA	NA NA	35.82 (13.6)	Abbey National Standard Chartered Bank Halifax Hill Samuel Nat. Westminster Bank
WEEKLIES	***Newsweek*** Newsweek Ltd. New York	3,288,453 (0.8)	Atlantic: 310,285 2.8 Asia: 288,432 0.8 Latin America: 58,471 2.3 Australia: 169,298 0.1[7]	3,972,949 (0.4)	85,015 4.7 198,100	NA NA	24.87 5.1	Singapore Airlines Rothmans International Rolex Thai Airlines KLM
WEEKLIES	***Paris Match International*** Publications Filipacchi Paris	35,045 (11.6)	Europe: 136,506 (3.0) Middle East/Africa: 34,022 (9.1) Asia/Pacific: 1,979 3.6 Latin America: 3,434 (20.6) Other: 25,182 29.5	236,167[11] 0.0	8,561 6.0 12,532	8,989 13,158	36.25 6.0	Philip Morris Cos. B.A.T. Tobacco S.M.H. Group watches Peugeot Citroen
WEEKLIES	***Time*** Time Inc. New York	4,745,417 (6.7)	Europe: 441,147 6.7 Middle East/Africa: 72,397 (6.4) Asia/Pacific: 422,000 6.8 Latin America: 98,000 0.0	5,785,961 (5.2)	144,761 6.7 225,000	NA NA	25.00 10.0	Singapore Airlines Rothmans International Philip Morris Cos. Daimler-Benz IBM Corp.
MONTHLIES	***National Geographic*** National Geographic Society Washington	9,456,510 1.7	Europe: 723,356 11.1 Middle East/Africa: 67,776 6.4 Pacific: 382,357 8.1 Latin America: 98,515 3.9	10,728,514 2.6	136,725 7.1 180,480	143,505 186,555	12.74 4.3	Canon Inc. Iberia Airlines Spanish Tourist Board Olympus Optical Co. Mazda Corp.
MONTHLIES	***Reader's Digest*** Reader's Digest Assn. Pleasantville, N.Y.	18,230,479 (1.5)	Atlantic: 7,709,342 (0.3) Asia/Pacific: 1,725,955 5.7 Latin America: 1,293,570 2.1	23,402,377 (0.7)	294,179 5.7 348,270	298,129 353,670	9.12 5.4	Franklin Mint Nestle SA Unilever NV NV Philips Kraft Gn.
MONTHLIES	***Scientific American*** Scientific American Inc. New York	531,634 0.9	Europe: 75,118 6.5 Middle East/Africa: 3,789 16.1 Asia/Pacific: 21,855 3.7 Latin America: 5,840 7.0	638,216 1.8	20,400 6.9 30,600	20,400[8] 30,600[8]	31.96 5.1	General Motors Corp. Hughes Aircraft Questar McDonnell-Douglas Amoco
MONTHLIES	***Shell*** South Publications London	5,129 (17.8)	Europe: 6,723 (24.5) Middle East/Africa: 20,986 (7.3) Asia/Pacific: 24,588 25.7 Latin America: 11,569 (11.8)	78,798 (3.3)	4,232 5.0 8,946	4,897 7,187	90.97 8.6	NV Philips Boeing Co. Lufthansa Airlines Airbus Rothmans International
OTHER	***WorldPaper***[9] World Times Boston	3,000 (87.5)	Middle East/Africa: 29,000 (58.3) Asia/Pacific: 236,500 (21.9) Latin America: 568,000 136.7 Iceland: 10,000 NA Soviet Union: 270,000 NA	1,116,500 75.4	38,090 22.4 NA	NA NA	34.12 (30.2)	AT&T Co. Lufthansa Airlines Hertz Sheaffer Eaton Federal Express
OTHER	***Parade*** Time Inc. New York	672,134[10] 2.4	Europe: 51,167 2.6 Middle East/Africa: 7,998 (17.1) Asia/Pacific: 48,146 2.5 Latin America: 11,000 (7.1)	792,306 2.6	53,200 6.5 80,000	NA NA	48.87 8.5	Boeing Corp. Samsung Group ICEX Daimler-Benz J.P. Morgan & Co.

Notes: [1] Average daily circulation, audited by OJD, Paris. [2] Second half '89 projection. [3] Figures given are for Monday-Thursday. Friday rate differential effective in '89 due to ABC measured circulation bonus in weekend edition. [4] Sept. 30, 1989 ABC figure. [5] Feb. '89 figure. [6] Full page b&w figure of £1,900 is converted to dollars using Nov. '89 exchange rate of 1.570. [7] Oct. '88-March '89. [8] No change in b&w and 4/c page cost anticipated through Sept. '90. [9] Distributed as a newspaper/magazine supplement. [10] North America-national equivalent pages. All other regions actual pages. [11] Calendar year 1989 and 1988. Figures do not include circulation in France, which in 1989 came to 775,758. Source: AA survey. See Page S-14 for more information.

Compiled by: Ilse Cermak

Media explorers hunt for profits

An Advertising Age roundup

"We've improved the bottom line. We hope to become profitable in a relatively short time."
David Mazzarella
USA Today International

"[Although we'll] never beat the *FT* on their own turf, we're not conceding the continent."
William A. Cummings
Wall Street Journal Europe

"A key element is that we've taken a product from the U.S. and molded it to the local market."
Mike Wilson
Asian Wall Street Journal

The pioneering publications with U.S. roots that marched overseas earlier in the 1980s are still struggling for profitability—but getting closer.

For most early entrants—*USA Today International* and *The Wall Street Journal's* regional editions—finding the right niche has been tough.

Since entering Europe in 1986, *USA Today International* has seen steady gains in both circulation and ad pages but still hasn't turned a profit. *USA Today International* President David Mazzarella wouldn't name profitability target dates or say if the initial goal of 1991 is achievable.

"We've improved the bottom line from one year to the next. We hope to become profitable in a relatively short time," he said.

A readership survey taken this year shows *USA Today International's* readers have an average household income of $119,084. About 87% are employed, 33% in top management, and 83% are involved in making business purchasing decisions. They're well-educated, with 77% holding college degrees.

Worldwide circulation will rise an estimated 6.6% to 1.81 million this year, led by a 13.5% increase in Europe to 40,100 and an 8.2% jump in Asia to 13,000.

Mr. Mazzarella maintains there's no direct competitor for readers because the majority of *USA Today International's* audience is American. Americans constitute more than 50% of the European edition's readers and more than 75% of the Asian edition's readers.

Another pioneer, *The Wall Street Journal Europe*, publishing since 1982, marked a milestone last April with its first monthly operating profit. Although the paper slid back into the red over the summer, it was in the black again in September.

William A. Cummings, *WSJ/Europe* publisher since last July, said he isn't aware of any target date for a break-even point or return on investment. Ad revenues in October were up 22% over the same month in 1988 and are expected to be up 5% for the entire year, he said.

WSJ/Europe competes directly against the *Financial Times* and, to a lesser extent, the *International Herald Tribune*.

Although Mr. Cummings conceded *WSJ/Europe* will "never beat the *Financial Times* on their own turf" in the U.K., he said, "We're not conceding the continent to anybody, the *FT* included."

One obstacle for *WSJ/Europe* is its fixed rate card. By contrast, many European publishers traditionally cut special deals off the rate card, but Mr. Cummings insisted *The Journal's* worldwide policy against rate-cutting won't change.

Dow Jones hopes persistence in Europe will pay off as it has in Asia. Almost 14 years after *The Asian Wall Street Journal* hit the newsstands, it boasts the largest share of the regional advertising market of any business publication.

The Rome Report, a research report that tracks international ad linage, showed that *The Asian Wall Street Journal* took a 13.5% slice of the roughly $111 million market in 1988, with slightly more than $15 million in revenues. That share placed it in the top position among business publications and third among all titles in the region. Only *Time's* and *Newsweek's* entries in the region had larger shares.

Rome Report figures for the first half of 1989 show *The Asian Wall Street Journal* maintaining its No. 3 spot overall, with a marginally increased 13.9% share of $55 million in ad spending in Asiawide publications for the first six months.

The falloff in the 1989 market, around 8% to 10% if increases in rate cards are taken into account, was due in part to the post-Olympic year, with spending levels down markedly, said *AWSJ* Publisher Mike Wilson, based in Hong Kong.

The Asian Wall Street Journal first turned a profit in 1982, said Karen Elliott House, Dow Jones VP-international. When the newspaper started printing in Tokyo in 1987, "costs were considerably higher" and the paper fell back into the red. "We're almost in the black now," she said.

Circulation hit 38,000 in late 1989, up 5% over 1988. The largest circulation growth has occurred in Hong Kong, Japan and South Korea. Hong Kong holds the lion's share with 27%, followed closely by Japan.

"A key element is that we have taken a product from the U.S. and molded it to the local market," Mr. Wilson said.

That's not the philosophy behind the *Herald Tribune*, said Publisher Lee Huebner. The newspaper, operating under its current name since 1967, is owned by the *New York Times* and *The Washington Post* and Whitney Communications.

"We seem to have held onto our readership in the face of [*The Wall Street Journal/Europe*, U.K.-based *Financial Times*] and *USA Today*," he said.

Even though a *Herald Tribune* study shows 40% of its own readers are Americans, its mission is different than the *WSJ/Europe* and *USA Today*.

Mr. Huebner believes the *Herald Tribune's* success is due in part to a generation of Europeans growing up speaking English and reading international publications.

He said the newspaper hopes to end the year with its best ad revenues ever, though he declined to give figures. For the first half of 1989, ad pages totaled 644, up 14.2% from the same period a year earlier.

Although not as financially focused, the *Herald Tribune* competes for some of the same ad dollars as *The WSJ/Europe*.

In Asia, it also competes with the *Journal*, but as an "imported"—not local—paper. However, competition could heat up if the *Financial Times*, *WSJ's* direct competitor in Europe, proceeds with a planned start-up in Tokyo next June.

The competition in both Europe and Asia is expected to intensify.

Keeping in mind a single European market in 1992, many U.S.-based publications in the past year have entered or announced plans to publish European editions.

In September, Meredith Corp. announced a joint venture with the U.K.'s Associated Newspapers to launch a U.K. edition of *Metropolitan Home*. Last month, *Life* made known its plans to test local editions with local joint-venture partners in three European countries.

In September, Hearst Corp. created a new international unit, Hearst Magazines International, to expand the company's publishing business outside the U.S. Hearst President Frank A. Bennack Jr. at the time said globalization and 1992 would have a dramatic effect on the commuications industry and especially on magazine publishing.

Forbes is taking its long-running battle with *Fortune* overseas (AA, Oct. 16) and Reader's Digest Association is looking at overseas editions of special-interest titles through an expanded international group. □

This story was reported and written by Nancy Giges in New York with reports from Peter S. Green in Paris and Charles Goddard in Hong Kong.

New magazines seek Japanese women

By David Kilburn

Social trends and a booming ad market are turning magazines that target women into a hot medium in Japan.

"The market has changed dramatically," said Yukinori Ohta, publisher of *Media Info*, a Japanese-language trade magazine.

A host of new titles are geared toward the relatively new phenomenon in Japan of working women who are loaded with disposable income.

"The mass market splintered into a host of smaller markets. Publishers have found they can be very successful with magazines with circulations of about 300,000," Mr. Ohta said.

About $2.1 billion was spent on advertising in Japan's 2,181 magazines in 1988, Dentsu reported. This represents a 14.9% jump from 1987, a gain that was 2.9 percentage points ahead of the increase in total ad spending.

That same year, magazines grabbed a 6.7% share of advertising in Japan, up from 6.5% in 1987, the report stated.

Also, 79 magazines ceased publication in 1988, the lowest number of closures this decade, while 131 titles were launched.

New approaches to women's magazines have been major successes. There are magazines launched within the past few years for the career woman, such as Nihon Keizai Shimbun's *Nikkei Woman*; for the woman-as-housewife, including Kadokawa's *Peach*; and for the mother-to-be, such as the aptly named *Balloon* from Shufunomoto. Last year, about 24 million magazines a month were sold to women.

Circulation of these women's magazines ranges from 100,000 to 1.5 million. Ad rates run $2,800 to $17,600 for a color page.

Even retailers are publishing to women, trying to woo female customers while promoting goods and services. These magazines—filled with copy about family, money, travel and cooking—are successful because they're produced as professional magazines and not as store hand-outs.

The Daiei, a leading supermarket chain, sells *Orange Page*, while leading department store Seibu publishes *Lettuce Club*.

Both magazines, available on newsstands only, are published twice monthly. *Orange Page* has average circulation of more than 1 million, and *Lettuce Club* claims 800,000. Top advertisers in both include such big names as Kao Corp. and Lion Corp. A color page ad in *Orange Page* costs $16,200 and $13,400 in *Lettuce Club*.

Balloon and other Japanese magazines for women are riding high.

Like most successful media in Japan—where self-imposed ad limits make demand outstrip supply—"it's hard to get advertising space in either," said Yoshitomo Maeda, media director at J. Walter Thompson Co.

Another magazine, *Hanako*, published by Magazine House, attracts affluent, cosmopolitan female readers. *Hanako*, launched last year, is the first regional weekly for women. Aimed at women in their 20s working in metropolitan Tokyo, its 350,000 circulation is restricted to that area. A color page ad costs $8,400. Major advertisers include Toyota Motor and Japan Airlines.

Hanako is a refinement of the targeting idea, said Ron Sternberg, an editor at *Tarzan*, a sister publication.

"By targeting Tokyo readers, we gained a much sharper identity and exclusivity for the magazine than we could have otherwise. This helps advertisers find their targets," he said.

Many of *Hanako's* readers have considerable spending power. Almost all their earnings can go for discretionary purchases. Often these women are living in their family homes rent-free. On dates, men pay. When they go to work, the company pays, even for commuting and clothing.

Readers of *Hanako*, called the *Hanako-zoku* (meaning *Hanako* tribe) are considered a valuable market by advertisers, and the term *Hanako-zoku* has entered the language.

"Targeting is the key. There will continue to be a lot of new activity [in specialized magazines] for at least another three years or so," Mr. Ohta said.

Mr. Maeda added: "Advertisers want to segment their targets much more narrowly. Many of these [new specialty magazines] are aimed at narrow segments of consumers that can be reached with less waste." □

David Kilburn is an Ad Age correspondent based in Tokyo.

Top 10 advertisers by country

AFRICA

South Africa

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	18,750	15,376
OK Bazaars	14,973	12,998
Pick 'n Pay	13,425	10,066
Checkers	11,332	10,042
SA Breweries	8,783	7,582
Toyota SA*	7,782	9,407
BAT Industries	5,825	5,690
Volkswagen AG	5,643	4,583
Nissan SA*	5,643	5,016
SmithKline Beecham	4,733	3,702

Notes: Dollars are in thousands converted at 0.45510 U.S. dollars to the rand in 1988 and 0.48140 U.S. dollars to the rand in 1987. * Indicates locally owned companies (foreign parent divested holdings). Spending for these companies IS NOT included in parent company worldwide totals in the top 50 ranking. **Source**: Market Research Africa.

ASIA/PACIFIC

Australia

Advertiser	Ad spending 1988	1987
Cole Myer	80,107	69,295
Unilever NV/PLC	41,592	32,756
Amatil Ltd	24,915	20,160
Mars Inc	23,833	21,143
Australian Government	21,937	22,579
Nestle SA	18,365	17,379
PepsiCo	17,825	13,720
News Corp	17,739	16,577
Bond Corp. Holdings	17,229	15,402
Cadbury Schweppes	16,959	15,112

Notes: Dollars are in thousands converted at 0.75470 U.S. dollars to the Australian dollar 1988 and 0.69490 U.S. dollars to the Australian dollar in 1987. **Source**: Tart Research.

Hong Kong

Advertiser	Ad spending 1988	1987
Philip Morris Cos	13,974	11,992
BAT Industries	8,024	8,433
RJR Nabisco	6,205	4,636
Matsushita Electric Industrial Co	5,316	4,119
Hutchinson Whampoa	5,205	5,699
Hong Tai Travel	5,123	4,886
Japan Tobacco Intl	4,967	4,520
McDonald's Corp	4,871	3,331
Sunflower Travel	4,822	2,808
Hattori Corp	4,344	3,670

Notes: Dollars are in thousands converted at 0.128 U.S. dollars to the HK dollar, and include all media, based on top 100 brands. **Source**: AGB McNair, Hong Kong Adex.

Japan

Advertiser	Ad spending 1988	1987
Kao Corp	338	281
Matsushita Electric Industrial Co	334	214
Hitachi Ltd	257	169
Mitsubishi Motors Corp.	249	81
Nissan Motor Co	248	207
NEC Corp	231	184
Honda Motor Co	229	77
Toyota Motor Co	220	178
Suntory	211	188
Toshiba Corp	199	145

Notes: Dollars are in millions converted at 0.00769 U.S. dollars to the yen in 1988 and 0.00670 U.S. dollars to the yen in 1987. **Source**: AA bureau reports.

Malaysia

Advertiser	Ad spending 1988	1987
BAT Industries	12,321	7,720
Rothmans International	11,402	7,639
Nupro	7,722	7,117
RJR Nabisco	6,091	3,632
Unilever NV/PLC	5,063	5,850
Colgate-Palmolive Co	4,587	4,034
Malaysian Breweries/F&N	1,871	1,741
Philip Morris Cos	1,859	2,703
Royal Dutch Shell	1,667	1,348
Peter Stuyvesant	1,531	1,468

Notes: Dollars are in thousands converted at 0.38085 U.S. dollars to the Malaysian dollar in 1988 and 0.40330 U.S. dollars to the Malaysian dollar in 1987. **Source**: Survey Research Malaysia.

New Zealand

Advertiser	Ad spending 1988	1987
Lion Nathan Group	15,249	14,493
Unilever NV/PLC	9,267	4,379
Foodstuffs Co-op	8,666	5,991
FTC Farmers	8,666	6,736
Goodman Fielder Wattie	8,658	9,739
Fletcher Challenge	6,739	8,270
Cadbury Schweppes	6,486	3,811
RJR Nabisco	6,055	3,996
Nissan Motor Co	5,008	2,703
Colgate-Palmolive Co	4,983	2,873

Notes: Dollars are in thousands converted at 0.65480 U.S. dollars to the N.Z. dollar in 1988 and 0.57600 U.S. dollars to the N.Z. dollar in 1987, and include TV, magazine and print. **Source**: AGB McNair.

Philippines

Advertiser	Ad spending 1988	1987
San Miguel Corp	9,255	8,838
Nestle SA	8,913	6,629
Philippine Refining Co	6,582	7,365
Colgate-Palmolive Co	5,144	6,138
Procter & Gamble Co	4,418	4,297
United Laboratories	4,093	NA
Coca-Cola Co	3,745	982
Fortune Tobacco Corp	3,393	NA
LaSuerte Cigar & Cigarette	2,943	NA
Asia Brewery	2,582	NA

Notes: Dollars are in thousands converted at 0.04770 U.S. dollars to the peso in 1988 and 0.04910 U.S. dollars to the peso in 1987. **Source**: Philippine Monitoring Service.

Singapore

Advertiser	Ad spending 1988	1987
McDonald's Corp	2,078	1,672
Yaohan	2,068	1,789
PepsiCo	1,604	1,273
Singapore Airlines	1,209	1,132
American Express Co	1,190	996
Metro	1,101	916
Tiger Beer	1,091	686
Courts Furniture	1,002	939
Family Life campaign	992	NA
NTUC Fairprice	908	690

Notes: Dollars are in thousands converted at 0.49360 U.S. dollars to the Singapore dollar in 1988 and 0.46960 U.S. dollars to the Singapore dollar in 1987. **Source**: SRS as reported by Asian Advertising & Marketing.

South Korea

Advertiser	Ad spending 1988	1987
Pacific Chemical	29,346	19,456
Lucky	28,408	20,657
Samsung Electronics	25,728	17,895

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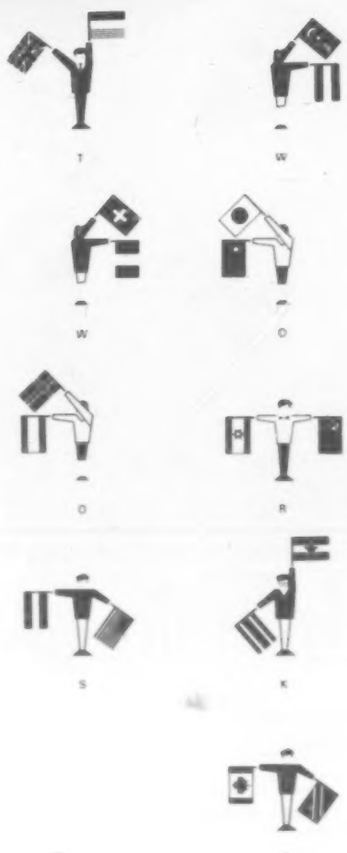

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Advertiser	Ad spending 1988	1987
Goldstar Electronics	24,924	18,736
Cheil Sugar	16,616	13,691
Lotte Confectionary	14,338	10,209
Daewong Pharmaceutical	13,802	9,248
Nhongshim	13,668	10,449
HaiTai Confectionary	12,998	9,608
Dongguh Foods	12,998	8,647

Notes: Dollars are in thousands converted at 0.00134 U.S. dollars to the won in 1988 and 0.00120 U.S. dollars to the won in 1987. **Source**: AA bureau reports.

Taiwan

Advertiser	Ad spending 1988	1987
President Food Co	10,831	15,110
Nestle SA	7,818	7,280
Matsushita Electric Industrial Co	6,826	8,540
Ta Tung Electric	6,605	5,090
Kuo Lien Chemical Industry	5,744	NA
Wei Chuan Food Co	5,497	8,680
Sampo Electric	5,453	NA
Ko Lin Electric	4,939	NA
Sam Shin Trading	4,591	NA
Kao Corp	4,451	5,810

Notes: Dollars are in thousands converted at 0.03480 U.S. dollars to the Taiwan dollar in 1988 and 0.03040 U.S. dollars to the Taiwan dollars in 1987. **Source**: McCann-Erickson.

Thailand

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	12,369	NA
Colgate-Palmolive Co	8,844	NA
Osothsapha Co	7,766	4,250
Saha Pathanapibul Co	5,249	4,459
Nestle SA	4,447	NA
T.C. Pharmaceutical Industrial Co	3,858	2,606
Matsushita Electric Industrial Co	2,883	NA
Toyota Motor Co	2,642	NA
Boon Rawd Brewery	2,451	2,543
Nissan Motor Co	2,365	NA

Notes: Dollars are in thousands converted at 0.04174 U.S. dollars to the baht in 1988 and 0.04280 U.S. dollars to the baht in 1987. **Source**: Media Focus.

EUROPE

Austria

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	33,118	28,374
Billa Konzern	12,183	10,687
Henkel	11,107	10,618
Procter & Gambie Co	10,716	4,950
Mars Inc	10,537	6,870
Raiffeisenverband	10,423	7,635
Konsum Oesterreich	9,958	10,687
Jacobs Suchard	8,426	6,954
Spar Warenhandels AG	8,418	6,066
Porsche	8,304	7,115

Notes: Dollars are in thousands converted at 0.08149 U.S. dollars to the schilling in 1988 and 0.07650 U.S. dollars to the schilling in 1987. **Source**: Nielsen.

Belgium/Luxembourg

Advertiser	Ad spending 1988	1987
Procter & Gamble Co	14,295	12,922
GIB	13,882	10,738
Mars Inc	13,195	10,478
L'Oreal SA	12,920	6,396
Henkel	12,371	9,984
Gervais Danone	12,371	11,076
Belgian Government	12,096	5,200
Nestle SA	11,583	10,270
Ford Motor Co	10,996	7,644
Tabacofina	10,996	5,460

Notes: Dollars are in thousands converted at 0.02749 U.S. dollars to the Belgian franc in 1988 and 0.02500 U.S. dollars to the Belgian francin 1987, and include print, broadcast and outdoor for Belgium and Luxembourg. **Source**: AA bureau reports.

Britain

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	209	164
Procter & Gamble Co	137	901
British Government	135	139
Mars Inc	130	83
Nestle SA	127	64
British Telecom	83	47
Kingfisher	82	60
Electricity Council	76	59
Kellogg Co	73	60
General Motors Corp	59	31

Notes: Dollars are in millions converted at 1.7717 U.S. dollars to the pound in 1988 and 1.5764 U.S. dollars to the pound in 1987, and include TV, print and radio. **Source**: Campaign.

France

Advertiser	Ad spending 1988	1987
Renault SA	128	106
Peugeot SA	107	92
Nestle SA	82	68
Henkel	67	55
Procter & Gamble Co	62	64
France Loto	59	48
Fiat SpA	45	35
Colgate-Palmolive Co	45	48
Ford Motor Co	44	43
Volkswagen AG	40	30

Notes: Dollars are in millions converted at 0.16910 U.S. dollars to the franc in 1988 and 0.16220 U.S. dollars to the franc in 1987, and include TV, radio, print, outdoor and cinema. **Source**: Decisions Medias.

Italy

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	373	164
Procter & Gamble Co	293	201
Ferrero SpA	133	58
Fiat SpA	121	132
Barilla SpA	106	76
Colgate-Palmolive Co	95	73
Henkel	85	39
Philips NV	83	48
Renault SA	79	63
Saipo	79	NA

Notes: Dollars are in millions converted at 0.00077 U.S. dollars to the lira in 1988 and 0.00076 U.S. dollars to the lira in 1987. **Source**: A.C. Nielsen.

Netherlands

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	15,354	16,490
Procter & Gamble Co	11,030	8,584
Mars Inc	10,414	10,903
Rijksvoorlichtings	10,190	9,963
PTT	10,114	6,460
Heineken Netherlands	8,891	5,845
Philips NV	8,333	8,811
Sara Lee Corp	7,921	6,644
Postbank	6,500	6,865
Nestle SA	6,461	6,306

Notes: Dollars are in thousands converted at 0.51120 U.S. dollars to the guilder in 1988 and 0.47860 U.S. dollars to the guilder in 1987, and include magazine, TV and newspaper. **Source**: Adformatie.

Norway

Advertiser	Ad spending 1988	1987
Norwegian Dairy Assn	5,852	5,484
Toyota Motor Co	5,713	7,047
Denofa & Lilleborg Fabr	5,436	4,167
State information Service	5,267	4,196
General Motors Corp	5,005	4,399
Volkswagen AG	4,805	4,732
Ford Motor Co	4,789	5,339
Mitsubishi	3,742	4,312
Ernst G. Mortensens Forlag AS	3,711	1,997
TBK AS	3,496	NA

Notes: Dollars are in thousands converted at 0.15400 U.S. dollars to the kroner in 1988 and 0.14470 U.S. dollars to the kroner in 1987, and include newspapers, magazines, film and outdoor. **Source**: Norwegian Advertising Statistics A/S.

Spain

Advertiser	Ad spending 1988	1987
Peugeot SA	87,157	55,606
Renault SA	73,111	41,616

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Advertiser	Ad spending 1988	1987
El Corte Ingles	57,839	44,153
Volkswagen AG	57,479	37,406
Unilever NV/PLC	47,846	34,114
Spanish Ministry of Economy	47,435	29,825
Nestle SA	43,356	34,680
Grupo Repsol	39,859	NA
Fiat SpA	34,726	13,581
Henkel	31,649	23,321

Notes: Dollars are in thousands converted at 0.00857 U.S. dollars to the peseta in 1988 and 0.00785 U.S. dollars to the peseta in 1987. **Source:** AA bureau reports.

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Sweden

Advertiser	Ad spending 1988	1987
Kooperativa Forbundet	76,983	67,517
ICA AB	75,343	60,872
Ahlens AB	22,496	25,490
State Telephone Co.	12,753	2,663
Hennes & Mauritz AB	12,654	11,253
Volvo AB	12,642	10,176
Government Information Service	10,683	10,064
Philipson Bil AB	10,523	5,168
B&W Sormarknad AB	10,209	11,746
Volkswagen AG	9,614	6,540

Notes: Dollars are in thousands converted at 0.16300 U.S. dollars to the kroner in 1988 and 0.15400 U.S. dollars to the kroner in 1987. **Source:** Swedish Advertising Statistics AB.

Switzerland

Advertiser	Ad spending 1988	1987
Migros	46,440	45,402
Co-op	39,519	32,430
Denner	17,233	12,972
Toyota Motor Co	16,403	12,972
General Motors Corp.	15,988	12,323
Ringier/Buick	14,742	NA
Unilever NV/PLC	14,603	NA
Amag (VW & BMW)	12,319	9,080
Ford Motor Co	9,897	9,729
Maus Brothers	9,551	9,080

Notes: Dollars are in thousands converted at 0.69210 U.S. dollars to the Swiss franc in 1988 and 0.64360 U.S. dollars to the Swiss franc in 1987. **Source:** AA bureau reports.

West Germany

Advertiser	Ad spending 1988	1987
Procter & Gamble Co.	172	116
Unilever NV/PLC	151	130
C&A NV	137	128
Nestle SA	107	82
Henkel	105	90
Mars Inc.	91	59
Volkswagen AG	84	74
General Motors Corp.	78	58
Jacobs Suchard	77	72
Bundesministerium fuer Post	76	64

Notes: Dollars are in millions converted at 0.57220 U.S. dollars to the mark in 1988 and 0.53970 U.S. dollars to the mark in 1987. **Source:** Schmidt & Pohlman, a Nielsen subsidiary.

LATIN AMERICA

Argentina

Advertiser	Ad spending 1988	1987
Philip Morris Cos.	25,091	12,248
Aurora SAICIF	17,423	11,313
BAT Industries	16,420	11,609
Mastellone Hermanos	14,302	4,915
Unilever NV/PLC	12,092	6,793
Sancor Coop.	10,046	4,086
Bagley & Cia.	7,900	10,382
Renault SA	7,208	10,110
S.C. Johnson & Son	7,091	6,501
Molinos Rio de la Plata	7,006	3,339

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Argentine Advertisers Assn. and Fuentes SA.

Brazil

Advertiser	Ad spending 1988	1987
Nestle SA	29,013	12,584
Unilever NV/PLC	27,622	13,369
Grupo Fenicia	18,396	10,261
Pao de Acucar	17,406	15,534
Cx. Economica Federal	15,672	NA
Manufatura Brinquedo Estrela	14,990	9,302
Philips NV	14,504	9,048
Whirlpool	13,085	NA
Sao Paulo Alpargatas	12,973	NA
Mappin-Casa Anglo Br.	12,473	10,502

Notes: Dollars are in thousands and include TV, radio, outdoor and print. **Source:** Nielsen Servicos de Midia.

Chile

Advertiser	Ad spending 1988	1987
Unilever NV/PLC	13,382	12,861
Nestle SA	8,790	7,697
Cervezarias de Chile Unidas	5,834	4,580
Coca-Cola Co.	4,801	3,264
Corona	3,608	2,864
Sociedad Productora de Leche	3,190	2,490
Campania Manufacturera de Papeles	3,132	NA
Campania de Tabacos Chilenos	2,870	NA
Reckitt & Colman PLC	2,718	NA
Philips NV	2,079	2,305
Royal Dutch Shell	1,968	NA

Notes: Dollars are in thousands converted at 0.00410 pesos to the U.S. dollar in 1988 and 0.00430 pesos to the U.S. dollar in 1987. **Source:** AA bureau reports.

Mexico

Advertiser	Ad spending 1988	1987
Direccion Corporativa Impulsora	35,819	21,495
Procter & Gamble Co.	33,863	34,211
Industrias Vitivinicolas Domecq	28,144	17,560
PepsiCo	25,736	16,349
Colgate-Palmolive Co.	22,876	23,917
Unilever NV/PLC	21,973	10,596
Bacardi Corp.	21,672	15,138
Kimberly-Clark Corp.	18,211	16,349
Nestle SA	17,910	13,927
Kellogg Co.	13,696	9,385

Notes: Dollars are in thousands converted at 0.00043 U.S. dollars to the peso in 1988 and 0.00087 U.S. dollars to the peso in 1987. **Source:** A.C. Nielsen Co. and AA estimates. Due to Mexican discounting policies and on advice from Nielsen, figures represent only 35% of Nielsen monitored investments.

Puerto Rico

Advertiser	Ad spending 1988	1987
Procter & Gamble Co.	19,700	9,600
Unilever NV/PLC	14,700	9,300
Sears, Roebuck & Co.	8,200	NA
Colgate-Palmolive Co.	7,000	10,400
PepsiCo	6,000	5,600
American Home Products Corp.	5,900	5,600
J.C. Penney Co.	4,400	4,500
AT&T Co.	4,200	NA
Banco de Ponce	3,800	NA
Food & Spirits	1,000	6,200

Notes: Dollars are in thousands and include TV and print. **Source:** Publish Records Service.

MIDDLE EAST

Bahrain

Advertiser	Ad spending 1988	1987
Philip Morris Cos.	201	75
Gulf Air	173	125
Procter & Gamble Co.	147	NA
Bank of Bahrain & Kuwait	94	NA

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SOURCE: *MMR 1989, †1989 Readership Survey by Marketing Projects Group.

Advertiser	Ad spending 1988	1987
Rothmans International	81	77
Anchor Powder Milk	75	NA
Gulf Hotel	74	NA
Unilever NV/PLC	73	76

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

Israel

Advertiser	Ad spending 1988	1987
Bank Leumi	4,100	3,100
Bank Hapoalim	3,600	2,800
Mifal Hapayis	3,100	2,100
Osem Foods	3,000	2,200
Elite	2,900	2,200
Israel Discount Bank	2,600	2,200
Hamashbir	2,500	1,900
First International Bank	2,400	1,900
Tnuva Dairy	2,200	1,300
Coca-Cola Co	2,000	1,300

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Advertisers Association of Israel.

Jordan

Advertiser	Ad spending 1988	1987
Royal Jordanian Air	320	222
Rifco	116	153
Arab Bank	115	50
Plaza Hotel	104	NA
Bahrain Housing Bank	95	66
Nestle SA	63	70
Regency Palace	54	NA
Nido	52	60
CPC International	51	NA
Fine Tissues	48	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

Kuwait

Advertiser	Ad spending 1988	1987
Philip Morris Cos	1,935	1,184
NBK	714	741
CBK	712	582
Rothmans International	584	576
Gulf Bank	465	NA
Superlights	412	NA
Mild Seven	367	NA
Goldstar Electronics	351	NA
BKME	350	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

Oman

Advertiser	Ad spending 1988	1987
Gulf Air	230	151
Philip Morris Cos	177	NA
Procter & Gamble Co	111	NA
Falaj Hotel	92	NA
Toyota Motor Co	89	NA
Daimler-Benz AG	83	NA
British Airways	81	NA
Nido	74	NA
Rothmans International	73	53

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

Qatar

Advertiser	Ad spending 1988	1987
Procter & Gamble Co	196	NA
Rainbow Evaporated Milk	129	NA
Gulf Air	118	62
PepsiCo	67	54
Unilever NV/PLC	65	76
Philip Morris Cos	51	NA
Rothmans International	47	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

Saudi Arabia

Advertiser	Ad spending 1988	1987
Philip Morris Cos	1,239	1,171
Saudia	1,126	1,023
Procter & Gamble Co	996	767
PepsiCo	817	1,077
Toyota Motor Co	761	NA
Afia	668	716
CPC International	633	NA
Arrajol	601	NA
Nido	559	678
Sony Corp	552	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

United Arab Emirates

Advertiser	Ad spending 1988	1987
Emirates General Petroleum	438	NA
Masafi Mineral Water	381	205
Goldstar Electronics	338	NA
Philip Morris Cos	306	NA
Adnoc Special	304	NA
Gulf Air	302	NA
Casio Computer Co	257	NA
Procter & Gamble Co	246	152
Toyota Motor Co	232	248
Inter-Continental	224	NA

Notes: Dollars are in thousands. Figures were reported in U.S. dollars. **Source:** Middle East Marketing Research.

U.S./CANADA

Canada

Advertiser	Ad spending 1988	1987
Government of Canada	73,009	49,444
Procter & Gamble Co	46,533	39,724
General Motors Corp	41,720	29,705
Gulf & Western	35,301	NA
John Labatt	33,697	26,937
RJR Nabisco	33,697	21,701
Molson Cos	32,894	21,522
Thomson Group	32,092	28,617
Philip Morris Cos	32,092	30,415
Cineplex	30,487	NA

Notes: Dollars are in thousands converted at 0.80230 U.S. dollars to the Canadian dollar in 1988 and 0.74750 U.S. dollars to the Canadian dollar in 1987, and include print and broadcast. **Source:** Media Measurement Services.

U.S.

Advertiser	Ad spending 1988	1987
Philip Morris Cos	2,058	1,920
Procter & Gamble Co	1,507	1,466
General Motors Corp	1,294	966
Sears, Roebuck & Co	1,045	1,001
RJR Nabisco	815	843
Grand Metropolitan PLC	774	790
Eastman Kodak Co	736	678
McDonald's Corp	728	658
PepsiCo	712	703
Kellogg Co	683	561

Notes: Dollars are in millions. **Source:** Figures are AA estimates taken from AA's 100 Leading National Advertisers, Sept. 27, 1989. See "How to read this ranking," Page S-14.

Coordinating this report were Kevin Brown, Ilse Cermak, R Craig Endicott, Nancy Giges and Julie Skur Hill.

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Media target Soviet visitors

By John Iams

As the Soviet Union comes of age in the international business community, the 2 million people who visit the country each year are an untapped market.

So says Victor Bondarenko, a former construction engineer who emigrated from the Soviet Union to the U.S. in 1978. Now a VP at Zig-Zag International, a New York agency, Mr. Bondarenko's ambitions include launching several new vehicles targeting these visitors.

Zig-Zag has formed a joint venture called Intoureklama with state-run tourist agency Intourist. Intoureklama plans to launch an 80-page glossy travel magazine, *Passport to the U.S.S.R.*, by next summer.

The every-other-monthly will carry up to 30 pages of advertising and about 50 pages of editorial. Mr. Bondarenko said he will solicit advertising from Soviet and Western marketers but wouldn't disclose names of companies he's targeting.

The magazines will be placed in rooms of Intourist hotels catering to international travelers and through major travel companies such as American Express Co.

"Our primary goal is to target all foreigners coming here from the U.S., Japan, Britain and Europe," Mr. Bondarenko said.

"We are going to publish a guide about the Soviet Union, what's happening in Moscow, including entertainment and cultural events," he said.

Visitors here have little to inform them of what's going on, except for official tourist guides.

Initial plans call for a pressrun of 200,000 copies of *Passport to the U.S.S.R.*, he said.

A color page will cost $5,000, according to Mr. Bondarenko.

After getting the magazine off the ground, Mr. Bondarenko hopes to follow with a cable TV service for hotels catering to foreigners.

"We are planning to install [closed circuit] cable TV systems in every state-run Intourist hotel, using modern equipment," he said.

Some hotels now have in-house cable, but they don't offer the kind of programming Mr. Bondarenko plans, such as up-to-date information on current events, entertainment or even a guide on where to get a good meal.

Advertising will include a guide to restaurants such as the Japanese, French, Indian, Italian and U.S. restaurants that have opened in the Soviet capital. Ad rates haven't been set. □

John Iams is an Ad Age *correspondent based in Moscow.*

How to read rankings, media chart

Advertising Age's third annual ranking of major advertisers outside the U.S. and fifth annual Global Media lineup contain data from every continent except Antarctica.

Global marketers

The advertiser ranking on Page S-2 includes spending figures from 38 countries. *Ad Age* correspondents compiled the data. Depending on availability of reliable spending data, country lists ran from as many as 100 advertisers to only the top 10 spenders.

Research companies, media tracking services, marketing publications and ad agencies were various sources for the data. In some countries, ad spending is reported according to rate cards. When necessary, gross rates were discounted by AA editors to better reflect spending in the market. There is no standard procedure for monitoring ad spending worldwide, so advertising data may be accumulated by brands, subsidiary or parent company.

Wherever possible, spending reported by brand or subsidiary was assigned to the parent, whose names have been "Americanized" in this ranking.

Sources are listed beneath the tables titled "Top 10 advertisers by country" starting on Page S-8. All figures are given in U.S. dollars. Source lines include currency conversion rates for both 1988 and 1987 unless research companies provided the figures in U.S. dollars.

Global media

Circulation data collected from publishers in this report were for June 1989 compared with June 1988. Ad rates were those in effect at the same mid-year period.

Criteria for a publication's inclusion in the chart on Page S-4 are:

- Substantial mass circulation on at least three continents.
- Worldwide circulation of at least 50,000 and circulation of international editions equal to at least 10% of the domestic circulation.
- Editorial content global in scope.
- Advertising in all editions purchased through a central office.

Trade publications aren't mass-circulation publications and are excluded from this listing.

Licensed publications are also excluded, because they lack central control on the advertising side. □

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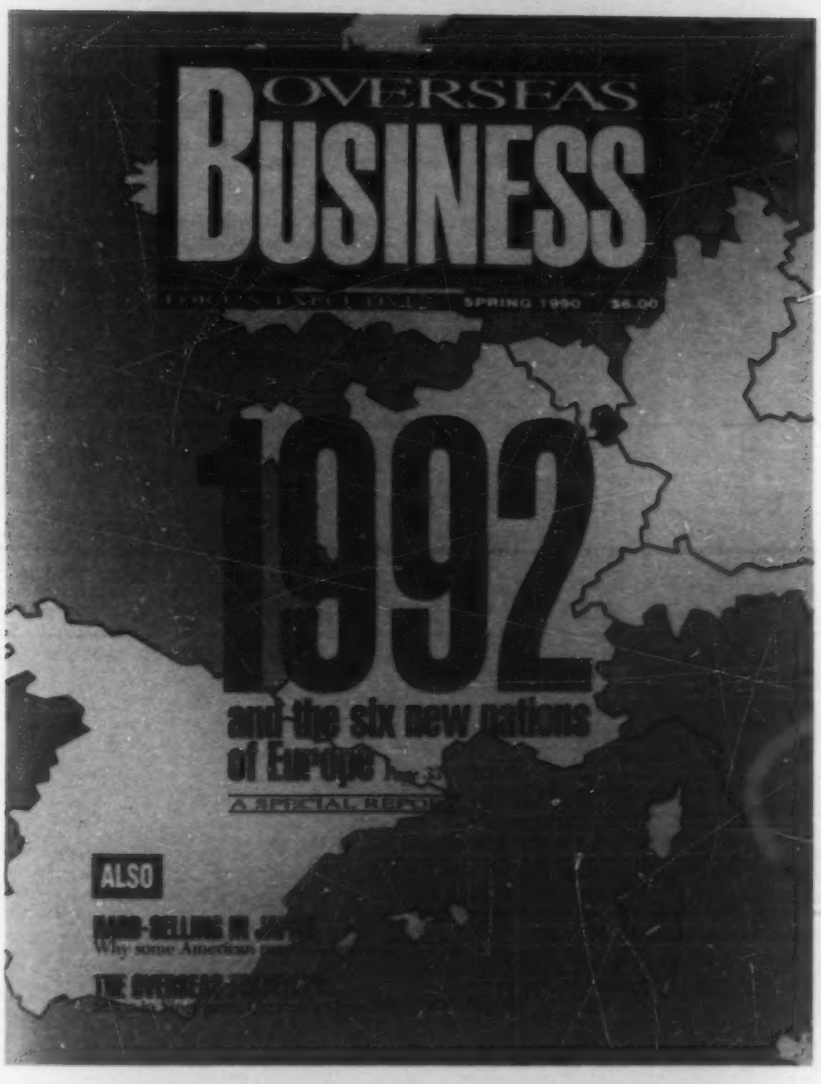

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Advertiser	Ad spending 1988	1987
Unilever NV/PLC	27,681	24,078
Ciba Geigy	18,150	14,896
Reliance Group of Cos.	17,421	6,369
Colgate-Palmolive Co.	7,971	5,890
Escorts Ltd.	6,660	4,996
Grasim Industries	6,285	5,852
Food Specialities Ltd.	6,006	7,001
Philips NV	4,666	4,441
Mahindra & Mahindra	4,534	3,994
Tata Oil Mills Co.	4,519	4,341

Notes: Dollars are in thousands converted at 0.07360 U.S. dollars to the rupee in 1988 and 0.07710 U.S. dollars to the rupee in 1987 and include print, newspaper, TV. Figures from India were received at press time ARE included in the ranking on Page S-2. **Source:** AA bureau reports.

Company sales and market shares

Estimated full-year comparisons.

Company	Units 1988	Units 1989	Units % chg	Market shares 1988	Market shares 1989	Market shares % chg
Philip Morris	219.30	220.04	0.3	39.3%	41.9%	2.6
RJR Nabisco	177.21	150.14	(15.3)	31.8	28.6	(3.2)
Brown & Williamson	61.09	60.06	(1.7)	10.9	11.5	0.6
Lorillard	46.06	42.20	(8.4)	8.2	8.0	(0.2)
American Brands	38.80	36.20	(6.7)	7.0	6.9	(0.1)
Liggett	15.33	15.96	4.2	2.8	3.1	0.3
Total	**557.79**	**524.62**	**(6.0)**	**100.0%**	**100.0%**	—

Units are in billions. Source: Estimates by John C. Maxwell Jr.

Cigarette skid continues

Though industry could gain slightly in 1990

By John C. Maxwell Jr.

Cigarette volume is expected to drop 6% to almost 525 billion units for 1989.

But the drop isn't as severe in real terms because anticipated cutbacks were made in trade inventories.

R.J. Reynolds Tobacco Co. aggressively tried to eliminate excessive trade inventories by discontinuing its end-of-quarter promotional programs effective with the third quarter.

Lorillard also didn't have any promotional programs starting with the third quarter.

These actions dramatically lowered shipments to the trade, distorting year-to-year comparisons.

Had RJR and Lorillard maintained their historical promotional strategies, it's estimated industry volume would be down about 3% or more.

The fact that 15 states raised excise taxes during the year, compared with only four in 1988, also contributed to the volume drop.

If retail consumption drops around 2.5% in 1990 (assuming no further aggressive state tax hikes), the industry total would be flat or slightly up from 1989's inventory-reduced 524.62 billion units.

So, market share numbers will be volatile and possibly somewhat deceptive in the near term.

It appears Philip Morris Cos.' unit volume advanced slightly in 1989, with market share reaching almost 42%, well ahead of 1988's 39.3% share.

The Philip Morris flagship brand, Marlboro, gained nearly 2 share points. Virginia Slims achieved a slight share increase, aided by the Superslims line extension launched in October.

There was no significant change in the ranking from last year of the top 10 brands, which represent more than 70% of the cigarettes sold. □

Mr. Maxwell is with Wheat, First Securities, Richmond, Va.

The top 10 brands

Estimated full-year unit volume comparisons.

Brand	1988 Units	1988 Share	1989 Units	1989 Share	% chg
Marlboro (PM)	138.82	24.9%	138.87	26.5%	0.0
Winston (RJR)	60.01	10.7	47.98	9.1	(20.0)
Salem (RJR)	40.53	7.3	32.34	6.2	(20.2)
Kool (B&W)*	33.58	6.0	31.43	6.0	(6.4)
Newport (Lorillard)	24.80	4.4	25.02	4.8	0.9
Camel (RJR)*	24.20	4.3	20.37	3.9	(15.8)
Benson & Hedges (PM)	22.15	4.0	19.84	3.8	(10.4)
Merit (PM)	21.38	3.8	20.08	3.8	(6.1)
Doral (RJR)	18.70	3.4	19.16	3.6	2.5
Virginia Slims (PM)	16.85	3.0	16.57	3.2	(1.7)
Total top 10	**401.02**	**71.8**	**371.66**	**70.9**	**(7.3)**

*Includes filter and non-filter. Units are in billions. Source: Estimates by John C. Maxwell Jr.

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Computer helps smokers sign off

By Patricia Winters

Now there's a computer that can help you stop smoking.

Health Innovations is rolling national with LifeSign, a system that features a hand-held computer to help smokers kick the habit.

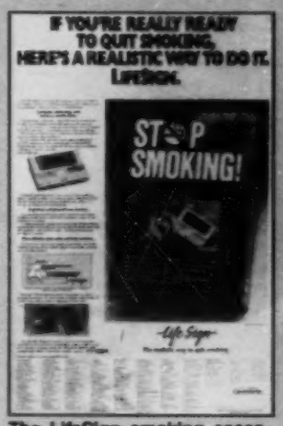
The patented system retails for $79.95 and in November was named as one of *Popular Science's* 100 "Best of What's New."

The smoker starts the LifeSign program by pressing the computer's smoke button each time he has a cigarette. After a week, the smoker can only light up when the computer tells him. Gradually, the computer lengthens the intervals between cigarettes until the smoker isn't allowed any.

The withdrawal process takes from 14 to 28 days.

Invented five years ago, LifeSign was previously sold only to employee health benefits programs and by direct mail to the public. Advertising was limited to direct sales on cable TV and small print ads.

The company began testing sales of the system in retail outlets in July; it's now available in more than 200 markets in the Northeast, mid-Atlantic, parts of the West Coast and in Arizona.



The LifeSign smoking cessation system is getting print support as it expands.

Health Innovations is running a heavy schedule of spot TV and cable advertising, as well as a 30-minute cable "infomercial," and print ads in *USA Today, The New Yorker, Time* and other major publications.

Hawthorne Communications, Fairfield, Iowa, created the 30-minute infomercial, while Media Basics, New York, handles other broadcast advertising. Novus Marketing, Minneapolis, does print.

LifeSign was invented by psychologist Lee Fredrickson and computer specialists Don Link and Al Behar. Messrs. Fredrickson and Behar both quit smoking through the program, said Betsy Lingel, Health Innovations marketing director.

Ms. Lingel said sales of LifeSign are skyrocketing, although she didn't disclose revenues.

The program includes a 48-page guide on long-term techniques to stay off cigarettes. Systems sold at retail include a promotional videotape on kicking tobacco. The program also offers an 800 phone number with trained staff to answer questions and lend support.

Health Innovations said its success rate is 18% to 27% one year after using the product—a rate it claims is more effective than other self-help methods. □

"You mean you tried to cover Orange County with a Los Angeles newspaper?!!"

The Orange County Register has 93% more Daily and 76% more Sunday circulation in Orange County than the largest Los Angeles newspaper. (Source: ABC Fas-Fax 3/31/89)

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Study boosts men's buying role

By Scott Donaton

Most men today don't bring home the bacon until they've checked the label first, a new survey on men's food shopping habits shows.

The study, conducted in September for Rodale Press' *Men's Health*, revealed that men make more than half of their family's brand purchase decisions in such categories as soups, cereals, soft drinks and snack foods.

The study also showed that 43% of men who are married or living with someone either shop with their significant others or do a large portion of the grocery shopping themselves.

Although the study isn't the first to chart the increase of male participation in traditionally female chores, *Men's Health* Executive Editor Michael Lafavore said it's one of the first to show that men today are as brand-conscious as women.

"The stereotype of the American male as someone who is oblivious to one brand of soap or cereal and another, who never buys anything but beer, razor blades and motor oil . . . just isn't true anymore," he said. Reasons for the perceived shift in men's attitudes include the increase in dual-income households and the rising divorce rate, the survey indicates.

Among men who are married or living with someone, the study found, 53% usually choose their family's brand of breakfast cereal, 51% choose the soup, 61% select the snack foods and 63% make most of the soft-drink buying decisions.

Areas in which men still defer to women include baby products (53% of those surveyed said the male never or almost never makes decisions on these products), spices and seasonings (66%) and cleaning products (69%).

Strictly defined "gender roles and responsibilities are blurring," said Michael Rooney, publisher of *Men's Health*. Yet, men are still largely ignored by food marketers, he said.

The study found that men's brand choices are influenced heavily by the traditional factors of price (72%) and experience in using the product (82%).

The telephone poll of a total of 993 men and women was conducted by Opinion Research Corp. during the week of Sept. 8. The margin of error is plus or minus 3%. □

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Gen'l Mills/Nestle joint venture

(Continued from Page 1)

tures with U.S. companies would include Paris-based BSN Group and its Gervais Dannon unit, as well as the U.K.'s United Biscuits.

U.S. companies that could benefit include Campbell Soup Co. and Quaker Oats Co., this source said.

"The criterion would be any company that is already present but doesn't have sufficient clout in its own right with the trade," he said.

Allan McCusker, a principal of the Caanan Parrish Group, a consultancy, called the General Mills/Nestle agreement "a marriage made in heaven."

He said cereal is a perfect fit since consumption in many European markets, including France, Italy and Spain, is extremely low.

Credit Suisse First Boston's Mr. Facon said he views the General Mills/Nestle deal as an unusual situation: a rapidly growing business (cereals in Europe) with a well-entrenched leader (Kellogg Co.), an eager competitor (General Mills) and a powerful local marketer (Nestle).

"I don't think there are too many situations like this that can be replicated," Mr. Facon said.

Charles Gaillard, who served as general manager of General Mills' Big G (cereal) Division for 10 years, will be ceo of the new company. His current title is senior VP-international foods for General Mills.

"Some of the brands marketed in Europe will be brands marketed here [in the U.S.]," said Craig Shulstad, General Mills' director of media and financial relations. Likely suspects would be Cheerios and Wheaties.

Each will carry the Nestle corporate name, and at least initially, will be manufactured in Nestle's three European cereal plants.

The companies also have committed to an agreement providing that neither will seek control of the other.

Although observers didn't dismiss the notion that Nestle might be interested in acquiring General Mills, "I think Nestle is happy with where they are in the U.S.," Mr. Facon said.

"They wanted a critical mass in the U.S., and they now have $7 billion in sales there," he said. "Now I think they will let margins go up; I don't expect them to make any major moves for the near term."

For General Mills, second in the $6 billion U.S. cereal market but a negligible player overseas, the joint venture offers a way to challenge Kellogg in Europe while avoiding a long learning curve.

"General Mills would not have been able to make much progress on its own. But this combines great products with great distribution and marketing strength," said Timothy Ramey, County NatWest Securities analyst.

"Kellogg had operations in Europe before we started selling cereal," Mr. Shulstad said. "We approached Nestle; we think a joint venture is the most efficient way to become a major competitive force in the European cereal market and expand into other areas."

Only about 10% of General Mills' $6 billion in total sales comes from foreign operations—and most of that from Red Lobster restaurants and Canadian food operations.

General Mills estimates total European cereal sales at $1.6 billion, or about one-fourth that of the U.S.

But the company said it predicts a quadrupling of sales in the next 10 years—or a 15% compounded annual growth rate.

"What's attracted consumers in this country to cereals is beginning to attract European consumers as well—healthfulness and convenience," Mr. Shulstad said.

Some, however, said General Mills' growth estimates are optimistic.

"The market for ready-meal breakfasts is going to expand very rapidly. But I'm not confident it will be just cereals, but yogurts and other products, too," Mr. Facon said.

Although growing, the cereal business in most countries outside the U.S. still is small. Per capita consumption in such developed markets as West Germany and France is less than 2 pounds, compared with more than 10 pounds in the U.S. and about 12.8 in England, 12.3 in Australia, 8.5 in Canada and 4.6 in Denmark.

The most rapid growth is in France and Italy, growing at more than 20% a year for cereal consumption, and West Germany, at 8% to 10% a year, according to U.K. research company Euromonitor.

Kellogg, which started its overseas business in the U.K. in 1922, dominates the cereal business outside North America. The company has a 51.8% dollar share of the overseas cereal market, compared with 41.5% in the U.S.

Chairman-CEO William LaMothe has said he expects 50% of Kellogg's sales to come from overseas markets by the end of the century (compared with about 36% now).

"Kellogg has had a great time in part because none of the big three European food companies—BSN Groupe, Unilever or Nestle—has been able to figure out the cereal business," Mr. Facon said.

Quaker Oats is the only other of the six U.S. cereal marketers to have a solid presence in Europe *(see chart)*.

Kraft General Foods Group distributes its Post cereals only in South Korea. Ralston Purina Co. is just beginning to distribute its human food products in Europe. And Nabisco Brands is only a small player in limited markets.

"We're used to competing in a very competitive U.S. market where Kellogg has a dominant share," General Mills' Mr. Shulstad said. "We think there's room for more than one company in this business."

The deal gives Nestle, already challenging or overtaking Quaker for second place in the markets where they compete, the power to take on Kellogg directly.

"I wouldn't say we'd beat Kellogg," said Michel Reinarz, Nestle's director of visual communications. "Kellogg is a formidable competitor and they know their business, but at last we're hoping to give them a good challenge."

Nestle entered the French ready-to-eat cereal market in 1984 and has already captured a 12% share, rapidly narrowing the gap with second-place Quaker, whose share declined to 16% of the market in 1988 from 20% when Nestle launched, Euromonitor reported.

Nestle is second behind Kellogg in the Spanish cereal market with a 15% share, and ahead of Kellogg in Portugal with a 15% share. The marketer also is testing its cereals in West Germany.

And Nestle already has discovered that Kellogg isn't untouchable overseas.

County NatWest Securities' Mr. Ramey said Nestle recently introduced two new cereals in Japan, where Kellogg held a 77.5% share. After three months of distribution, that figure dropped to 62.3%.

Publicis in France and McCann-Erickson in Spain, Portugal and West Germany launched the Nestle cereals and are Nestle's preferred cereal agencies. That designation means they keep that category free for Nestle and are recommended to local Nestle subsidiaries (AA, Sept. 18).

General Mills agencies Saatchi & Saatchi Advertising, which also works for Nestle in France, Germany and Canada, and DDB Needham Worldwide also could be in the running for assignments from the joint venture company.

"I would say that we have in our alignment agencies that are free to handle cereals," Mr. Reinarz said. "If they want no problems and to know the agencies are free and committed to cereal development, I'd recommend they choose among them. If they say, hey guys, we have long-term relationships [with another agency] and they know the cereal business, I'm not going to stand in the way. It's up to the joint venture to decide."

An international McCann source said, "Are we making calls on this right now? Yes, of course."

Joseph Mack, chairman of Saatchi & Saatchi, New York, General Mills' lead cereal agency, said he hopes Saatchi can become agency for the joint venture.

"We do have Nestle as a client in some markets, but they [Nestle and General Mills] haven't had those discussions yet," he said.

Mr. Mack called the idea of a joint venture to break into the European market a sound one.

"They're putting together an extraordinarily powerful sales and distribution and manufacturing potential of one company with brilliant R&D, technology and marketing brand experience with another company," he said, "and it's just a wonderful fit." □

Written by Julie Liesse Erickson in Chicago, with reports from Laurel Wentz in London; Judann Dagnoli, Jon Lafayette and Gary Levin in New York; Laurie Freeman in Washington; and Julie Skur Hill and Scott Hume in Chicago.

Who's on top of European cereal market

Kellogg Co. has a stronger market share overseas than in the U.S. (51.8 % compared to 41.5% at the beginning of 1988). U.S. cereal powers General Foods, General Mills and Ralston Purina have a negligible presence overseas.

Marketer	U.K.	France	W. Germany	Italy
Kellogg	42%	54%	42%	42%
Quaker	7	16	–	18
Nabisco	8	–	–	4
Nestle	–	12	–	–
Weetabix	14	–	–	6
Bananla	–	9	–	–
CPC	–	–	8	–

Source: Euromonitor Market Research

John Hall

BK

(Continued from Page 1)

rather than the natural chicken breast fillet used for the fried chicken sandwiches at McDonald's and Wendy's International and the grilled chicken sandwich at Hardee's Food Systems.

But Burger King can play off the consumer perception that broiled foods have less cholesterol, fewer calories and are more healthful than fried foods.

The BK Broiler is 379 calories topped with Ranch Sauce, 289 calories without the sauce. That compares with more than 600 calories for the Chicken Specialty sandwich now on Burger King's menu nationally.

The BK Broiler is most similar to the 330-calorie Grilled Chicken Breast Sandwich (served on a natural-grain bun) introduced earlier this year by Hardee's. That sandwich was one of the last projects Gary Langstaff worked on at Hardee's before moving to head Burger King's marketing department.

Kentucky Fried Chicken Corp., the No. 1 chicken chain, isn't taking all this action sitting down. It's testing charbroiled chicken in Las Vegas, Nev.

But Burger King will have an added—and so far exclusive—health positioning by serving its sandwich on an oat bran bun.

The new Kids Club program for children is even more ambitious than the chain's menu moves.

Like competitors' meals for children, Burger King's are anchored by a succession of premiums, most of which are tied to popular toys or cartoon characters.

The program starts in January with miniature, mobile toys shaped like menu items (such as a bag of fries or soft drink).

In February and March, badges tied to the popular "Teenage Mutant Ninja Turtles" characters will be offered. In April and May, the premiums will be figurines of characters in ABC-TV's animated "Beetlejuice" series.

Planned for June and July are vehicles and characters created to represent members of the Kids Club.

In August and September, Kids Club meals will include miniature versions of Hasbro's Record Breakers cars.

But Burger King plans its Kids Club to be more comprehensive than competitors' programs. Children will be invited to join the club, which offers members a personalized membership card, stickers and a poster featuring Kids Club characters.

Also, a four-page newspaper, to be published five times a year, will be distributed in-store. It will include everything from film and video reviews to previews of upcoming premiums. Members also can buy a Kids Club clubhouse they can play in at home.

Ericson Freeman, Paramus, N.J., and August, Bishop & Meier, Chicago, handle promotional marketing for Burger King.

The Kids Club program means Burger King once again will begin network TV advertising on Saturday mornings, a media buy it has shunned for nearly a decade. Six flights on Saturdays are planned through September.

The chain also will advertise the Kids Club on Nickelodeon and other cable TV channels with high viewership among children, as well as with spot buys during syndicated programming on independent TV stations.

Saatchi & Saatchi is believed to be taking the lead in creating media ad support for children's marketing. □

Burger King Kids Club premium schedule

Burger King has planned premiums for its new children's marketing program through the first three quarters of 1990. Several will benefit from additional, outside marketing support as well.

When	Premium	Description	Other marketing support
January	Liberty Splits	Vehicles	None
Feb.-March	Teenage Mutant Ninja Turtles	Badges	Turtles movie opens in March with $8M ad/promo blitz
April-May	Beetlejuice	Figurines	ABC-TV program; Kenner rolls out toy line in Jan.; movie sequel opens in fall
June-July	Kids Club Capers	Vehicles	None
Aug.-Sept.	Mini Record Breakers	Vehicles	Hasbro's $16M ad support

Source: Burger King materials